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# REPORT ON THE MEETINGS OF THE MINISTERIAL FOLLOW-UP COMMITTEE ON TRADE AND FINANCE FOR AFRICAN DEVELOPMENT

(A Note by ECA Secretariat)

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I. STRUCTURE AND TERMS OF REFERENCE OF THE COMMITTEE

1. The Ministerial Follow-up Committee on Trade and Finance for African Development was established at the Sixth Session of the Conference of Ministers of Trade which was held in Addis Ababa from 17-20 March 1980. The following are the terms of reference of the Committee:

(a) Monitoring the implementation of the African strategy in the field of International Trade and Finance including intra-African trade and finance as part of the over-all development strategy for Africa.

(b) Co-ordinating, harmonizing and preparing the African position on issues relating to international trade and finance for development.

(c) Reviewing from time to time progress made in the implementation of multilateral agreements between African countries and the outside world in the field of international trade and finance including the second ACP-EEC Lome Convention and UNCTAD's Integrated Programme for Commodities.

2. The following countries were elected as members of the Committee: Algeria, Congo, Ethiopia, Kenya, Lesotho, Mozambique, Niger, Nigeria, Rwanda, Sierra Leone, Sudan, Tanzania, Tunisia, Zaire, Zambia. It was understood that other States not members of the Committee would also be welcome to participate at its meetings.

II. MEETINGS OF THE COMMITTEE

3. Since its inception, the Ministerial Follow-up Committee has met three times. The full information about attendance at the meeting is given in Table I. It will be noted that at the first meeting which was held in Addis Ababa from 9-11 March 1981, there were fourteen (14) member countries present and four (4) other African countries also participated in the meeting. Out of all the countries participating, only six (6) were represented by Ministers.

4. The second meeting of the committee was held in Addis Ababa from 25-28 January 1982. Fourteen (14) member countries were present and two (2) other African countries also participated. Out of the delegations present, there were only three (3) Ministers.

5. The third meeting of the Ministerial Follow-up Committee was held in Addis Ababa from 9-14 May 1984. Since this Committee was requested by the OAU Heads of State and Government to review and assess UNCTAD VI, the Secretariat invited all African countries to participate (as a Committee of the Whole). Thirteen (13) members of the Committee participated at this meeting and of these only two (2) countries were represented by Ministers. There were also twentyone (21) other African countries which participated in the meeting and of these, six (6) were Ministers.

TABLE 1

PARTICIPATION ON THE MINISTERIAL FOLLOW-UP COMMITTEE

| Countries Present | First Meeting | Second Meeting | Third Meeting |
|---|---|---|---|
| (1) Members of the Committee | 14 | 14 | 13 |
| (2) Of these Ministers were: | 6 | 3 | 2 |
| (3) Other African countries | 4 | 2 | 21 |
| (4) Of these Ministers were: | - | - | 6 |

6. It will be noted from the above table that the number of members participating dropped during the third meeting. In fact, attendance was made up by representatives from the respective embassies in Addis Ababa. More significantly, the number of ministers participating in the meeting has not only been less than half but has also progressively reduced. It must be stressed that in the opinion of the Secretariat, this does not indicate the lack of interest in the work of the Committee, but genuine financial difficulties and other obligations which makes it difficult for members to participate.

III. FACTORS TO DETERMINE WHETHER OR NOT THE COMMITTEE SHOULD BE DISSOLVED

7. Three important factors need to be taken into consideration in determining whether or not the Committee should be dissolved.

(a) Many African countries presently face serious financial problems especially in the foreign exchange sector. Indications show that this is likely to continue for some time in future. The frequency of meetings places additional pressures on such foreign exchange situations. In fact, the low and declining number of Ministers present at such meetings may be an indication of this problem.

(b) Recently, the OAU Heads of State and Government established a Ministerial Steering Committee of Seven African countries to prepare for the economic summit which was held in Addis Ababa in July 1985. The Steering Committee dealt with all economic issues including trade, to be brought before the OAU Assembly of Heads of State and Government. The Steering Committee's membership is being enlarged to between twelve (12) and fifteen (15) and will be a permanent body of the OAU. Its mandate has also been expanded to include assistance to African countries in international negotiations including UNCTAD sessions.

(c) The ECA Conference of Ministers at its meeting held in April 1985, established the Conference of Ministers of Finance and Governors of Central Banks as the competent body to deal with all monetary and financial issues previously handled by the Ministerial Follow-up Committee on Trade and Development Finance.

## IV. CONCLUSIONS

8. In the light of these significant developments, and in view of the financial problems referred to above, the Conference of Ministers of Trade might wish to decide whether or not it is essential to continue the work of the Ministerial Follow-up Committee. It would appear that the mandate of the Ministerial Follow-up Committee has been significantly curtailed. If it is decided that the Committee should continue, the Conference may wish to redefine its terms of reference. Alternatively, the Conference might wish to dissolve it altogether on the understanding that its biennial sessions would always be preceded by a meeting of an Intergovernmental Group of Experts which would prepare recommendations and policy proposals for consideration by the Ministers.